

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 AID-20 AGR-20 TRSE-00 XMB-07

EUR-25 STR-08 CIAE-00 INR-10 NSAE-00 RSC-01 CIEP-02

CEA-02 OMB-01 CPR-02 SY-10 DRC-01 /141 W

----- 115590

P R 282032Z JAN 74

FM AMEMBASSY BRIDGETOWN

TO SECSTATE WASHDC PRIORITY 6637

INFO AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

AMEMBASSY PORT OF SPAIN

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E.O. 66152: N/A

TAGS: ECON EGEN EFIN EAGR

SUBJ: PRIME MINISTER'S U.S. VISIT TO FOCUS ON ECONOMIC PROBLEMS

REFS: A. BRIDGETOWN 0130, B. BRIDGETOWN 0154

1. DURING MEETING WITH PM AND STAFF THIS A.M., AMB LEARNED THAT MAJOR SUBJECT OF WEEKEND CARICOM LEADERS' MEETING HERE WAS EXPLORATION OF ALTERNATIVE SUGAR MARKETS IN VIEW OF LOW CSA PRICE. PM BARROW STATED THAT HIS FORTHCOMING WEEK'S VISIT TO WASHINGTON BEGINNING FEB 4 WILL BE FOR PURPOSE OF DISCUSSING POSSIBLE SALE OF BARBADOS' ENTIRE EXPORT SUGAR CROP TO US AS WELL AS TO CONFER WITH WORLD BANK, INTER-AMERICAN DEVELOPMENT BANK AND U.S. EXPORT-IMPORT BANK. IN ANSWER TO SPECIFIC QUERY FROM AMB, BARROW STATED THAT HE WOULD BE SPEAKING ONLY FOR GOB AND NOT RPT NOT FOR OTHER COUNTRIES' DECISIONS DURING HIS TRIP TO WASHINGTON. HE SPECIFICALLY ASKED EMBASSY ASSISTANCE IN ASKING DEPT TO ARRANGE SUGAR APPOINTMENTS WITH APPROPRIATE OFFICIALS AT DEPARTMENTS STATE AND AGRICULTURE AND AT EX-IM TO DISCUSS FUNDING FOR GOB PURCHASE OF AGRICULTURAL, INDUSTRIAL AND TRANSPORT EQUIPMENT.

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2. RE SUGAR, PM, NOTING THAT CSA PRICE IS NOW MUCH LOWER THAN

PRODUCTION COSTS, STATED FLATLY THAT GOB CANNOT AFFORD SELL SUGAR TO UK. PM WAS NOT SANGUINE ABOUT OBTAINING REALISTIC INCREASE IN CSA PRICE AND STRESSED THAT THIS WAS LAST YEAR OF SALES UNDER CSA BEFORE UK FACED LONG HAGGLING PROCESS WITH OTHER EEC COUNTRIES ESPECIALLY FRANCE, OVER ENTRY CONDITIONS OF CANE SUGAR FROM COMMONWEALTH COUNTRIES. PM SAID NO ONE LIKES TO BREAK AN AGREEMENT, BUT GOB (AND OTHERS) WERE IN SERIOUS INTERNATIONAL FINANCIAL SITUATION. PM DISCLOSED THAT TRINIDAD AND TOBAGO IS RELUCTANT TO BREAK OFF PRICE NEGOTIATIONS WITH UK, BUT STRESSED THAT UNLIKE TT, WHICH HAS OIL, AND GUYANA AND JAMAICA WHICH HAVE BAUXITE, BARBADOS HAS NO RESOURCES OTHER THAN SUGAR SO THAT BREAK WITH UK OVER SUGAR WOULD THUS NOT AFFECT ANY OTHER ASPECT OF GOB'S TRADE. HE AND HIS STAFF WOULD LIKE DEPARTMENT TO ARRANGE APPOINTMENTS WEEK FEB 4 WITH APPROPRIATE STATE/AGRICULTURE OFFICIALS.

3. PM THOUGHT BARBADOS SUGAR PRODUCERS' ASSOC. ESTIMATE OF 100,000 TONS TOO PESIMISTIC AND SAID HE HOPED TO SEE 120-125,000 TON HARVEST, MAKING ABOUT 100,000 TONS AVAILABLE FOR EXPORT. FIRST SHIPMENT, HOPEFULLY OF ABOUT 10,000 TONS, PROBABLY BE MADE IN MID OR LATE FEBRUARY. AMB TOLD PM WASHINGTON OFFICIALS, PARTICULARLY IN STATE, HAD BECOME THOROUGHLY FAMILIAR WITH CURRENT CARIBBEAN SUGAR SITUATION THIS PAST FALL WHEN THEIR EFFORTS OBTAINED PARTIAL RESTORATION OF WEST INDIES SUGAR QUOTA.

4. PM MENTIONED THAT HIS STAFF HAD ALREADY MADE APPOINTMENTS AT WORLD BANK AND IADB, BUT DID NOT SPECIFY NATURE OF HIS BUSINESS THERE. REGARDING EX-IM, PM SAID HE WOULD APPRECIATE DEPT'S MAKING APPOINTMENTS FOR HIM TO DISCUSS FINANCING OF POSSIBLE GOB PURCHASE OF US CEMENT KILNS, HARBOR EQUIPMENT (INCLUDING CRANES AND CONTAINERIZATION HANDLING EQUIPMENT) AND PERHAPS SOME AIRPORT EQUIPMENT NOT AVAILABLE FROM CANADA (GOB HAS RECEIVED CANADIAN \$10 MILLION TIED LOAN FROM CANADA FOR AIRPORT IMPROVEMENT BUT CAN APPARENTLY USE FUNDS FOR THIRD COUNTRY PURCHASES IF CANADIAN PRICE SIGNIFICANTLY HIGHER). RE EX-IM, EMBASSY HAS BEEN PROVIDING GOB WITH MATERIAL ON EX-IM PROGRAMS OVER PAST TWO MONTHS BUT GOB HAS BEEN CLOSE-MOUTHED AS TO PROSPECTIVE PURCHASES UNTIL NOW.

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5. COMMENT: BARROW SAID NOTHING ABOUT CONSULTATION WITH IMF OVER POSSIBLE RE-ORIENTATION OF BARBADOS CURRENCY TO US DOLLAR (REFTEL A), BUT WE SUSPECT THIS TOPIC MAY ALSO BE EXPLORED DURING VISIT. UNDERSTANDABLE THAT HE WOULD NOT WISH TO RAISE SUBJECT THIS SENSITIVE UNTIL GOB HAS COMPLETED ITS CONSULTATION.

6. ACTION REQUESTED: DEPT REQUESTED MAKE ARRANGEMENTS IN STATE AND AGRICULTURE FOR DISCUSSIONS OF POSSIBLE SUGAR EXPORTS AND AT EX-IM.

SINCE BARBADOS AMB MCCOMIE HAS PROVED SENSITIVE IN THE PAST WHEN EMBASSY ASKED BY GOB TO REQUEST APPOINTMENTS WHICH NORMALLY HIS JOB, AMB SPECIFICALLY ASKED PM WHETHER OR NOT BARBADOS EMBASSY WOULD ALSO BE REQUESTING THESE APPOINTMENTS. HE SAID THAT MCCOMIE WOULD BE MAKING ARRANGEMENTS WITH MULTI-NATIONAL BODIES SUCH AS IBRD AND IDB, BUT THAT IN THE CASE OF APPOINTMENTS AT STATE, AGRICULTURE AND EX-IM HE WOULD VERY MUCH LIKE TO HAVE THE DEPT OF STATE INITIATE THESE APPOINTMENTS AND KEEP MCCOMIE APPRISED OF ALL APPOINTMENTS MADE SO THERE WOULD BE NO CONFLICT IN TIMING.

7. BARROW WILL BE STAYING AT EMBASSY ROW HOTEL. SKEETE AND EMTAGE EXPECTED ARRIVE WASHINGTON FEB 2, WHEREAS BARROW WILL SPEND FEB 3 IN MIAMI. FLIGHT INFO WILL BE TRANSMITTED WHEN KNOWN.

DECONTROL FOLLOWING JULY 1, 1974.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Concepts:** SUGAR, CHIEF OF STATE VISITS, MINISTERIAL MEETINGS, PRICES, CURRENCY STABILITY, DEVALUATIONS, FOREIGN EXCHANGE RATES  
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**Disposition Approved on Date:**  
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